



U.S. Department of the Interior
"To-Be" Trust Business Model
Process Template

Title: Create Funds Payable

Identify the process in the "Verb Noun" format. (Ex: Maintain Ownership)

Process Number
FO.3.1

1. Process Definition *Provide an overview of the process and define its starting and ending points*

1.1 Starts With	Approved request for disbursement.
1.2 Process Overview	<p>An entry is created for recurring and one-time, approved disbursement requests. Money received and automatically paid out to beneficiaries does not create a payables record.</p> <p>At a minimum, a funds payable entry should contain the following information, when applicable:</p> <ul style="list-style-type: none">• Payment ID – unique identifier of payment• Payment description – unique description of payment (e.g., alimony, mortgage, beneficiary payment)• Payee information – name, address, etc.• Payment amount – amount to be paid either one-time or on a regular basis• Effective date – date payment is to start• Payment date – date of one-time or recurring payment (e.g., 19th of every month, fourth business day after the close of the quarter)• Termination date – date on which the payment ends, although a payment may still be due after this date• Related accounts and amounts to be deducted from the accounts• Payment type• Frequency – one time, monthly, quarterly, etc.• Penalties – late payment, violation of agreement, etc. <p>In general, whoever receives and approves a request for disbursement is responsible for creating and updating the funds payable entry. The suspension of a payment and a reason code is also recorded by whoever set up the payment in the funds payable system.</p> <p>The funds payable system documents projected and actual disbursements, which is detail information that is captured on beneficiary account statements.</p>
1.3 Stops With	A funds payable entry and a schedule of disbursements.

2. Trust Business Objectives *Identify the Comprehensive Trust Model strategic goals and business objectives to which this process contributes.*

Goal/Objective
To disburse funds in a timely, accurate, effective and efficient manner.



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3. How should Beneficiaries be involved in this process?

Beneficiary Involvement

Request disbursements to themselves or other parties.

4. Organizations, Offices and Roles. Identify the DOI organizations and related roles that should be involved in performing the process.

4.1 DOI Organizations. Identify the DOI organizations, offices and individual roles that contribute to this process.

DOI organizations include the Office of the Secretary, BIA, OST, BLM, MMS, OHA, OSM among others.

Offices include Central Offices, Regional Offices, Agency(Field) Offices, etc.

All individual roles that contribute, in a significant manner, should be identified.

Organization	Office	Role	Contribution
BIA	Agency/Regional Office	(Management)	Approve funds payable requests for non-routine transactions within policy guidelines.
BIA	Agency/Regional Office	(Staff)	Create funds payable for disbursements related to land use contracts and land management expenses, such as fencing projects. Review and approve supporting documentation. Submit requests for transfers of fund balances from one account to another.
OST	Trust Service		Approve a funds payable request that is within the dollar thresholds. Make judgments regarding non-routine transactions within policy guidelines. Document any judgment calls.
OST	Field Operations	(Management)	Approve disbursement requests within certain dollar thresholds. Make judgments regarding atypical disbursement requests within policy guidelines. Document judgment calls.



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Organization	Office	Role	Contribution
OST	Field Operations	(Staff)	Create funds payable for atypical disbursement requests, such as child support payments or probate settlements. Review and approve supporting documentation. Submit requests for transfers of fund balances from one account to another.
Compacted and Contracted Tribes			Make a disbursement request.

4.2 Non-DOI Organizations. Identify the non-DOI organizations that support the execution or control of this process.

External Organization	Contribution
Third party payees	Receive disbursements.

5. Event(s) Identify the events or conditions that start the process. Describe each event and indicate the frequency (daily, monthly, quarterly, etc.) in which each event is expected to occur. An event may be an external interaction (a beneficiary submits an application), the expiration of a period of time (a lease is due to expire in 90 days), or the realization of some pre-defined threshold (an IIM account reaches the automatic disbursement threshold).

Event	Description	Estimated Frequency
A disbursement request has been received	The request may be a one time or a recurring payout and usually originates in a program or integrated servicing office.	Daily

6. 6. Inputs and Outputs. Identify and describe all inputs and outputs related to this process. Inputs are information or materials used during the execution of the process; outputs are materials or information produced by the process.

6.1 Inputs

Input	Description
Disbursement requests	Approved requests from a program office, integrated servicing office or third party to disburse funds.



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Input	Description
Supporting documentation	Documentation that explains and authorizes a disbursement request.
Beneficiary account	An account created to receive and disburse trust-related monies to individual Indian and tribal beneficiaries.

6.2 Outputs

Output	Description
Funds payable entry	Files created by program office or integrated servicing office staff required to disburse funds.

7. Fiduciary and Legal Obligations and Controls

7.1 Obligations

Identify and describe the legal and fiduciary obligations that impact this process. For each obligation, indicate the document or commitment that defines the obligation and the citation (paragraph or section) within the document that pertains to this process.

Obligation	Source	Business Impact
Regulations for carrying out the duties to manage and administer trust assets	25 CFR 115	Guidelines for management of trust funds for tribes and individual Indians.
Leasing on trust assets relate to bonuses, damages and fees	25 CFR 211.24	Regulation concerning deposit of funds.
Rights of Way: compensation for granting of easements and deposits for survey damages	25 CFR 169.14	Regulation concerning deposit of funds.
Intra-governmental accounting guidance	Treasury regulations	Disbursing authority. Safeguarding and disposal of check stock.
Law to protect the value of a depletable asset	New Mexico Uniform Principal and Income Act	Gives the trustee authority to allocate money earned from a trust land use contract between the life estate and the remainderman.



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Obligation	Source	Business Impact
Freedom of Information Act (FOIA)	5 USC 552	Provides specifically that "any person" can make requests for government information. Citizens who make requests are not required to identify themselves or explain why they want the information they have requested. All branches of the Federal government must adhere to the provisions of FOIA with certain restrictions for work in progress (early drafts), enforcement confidential information, classified documents, and national security information.
Privacy Act of 1974	5 USC 552 (a)	Protects information pertaining to individuals.

7.2 Controls

Identify and describe any controls (enforcement mechanisms) that may be used to ensure that the process adheres to obligations and internal process requirements. Controls may be reviews, audits, segregated duties, etc. Indicate the reason that each control should be introduced (name the obligation that a control is intended to enforce; indicate any controls required to ensure consistency or reliability).

Control	Reason	Description
Generally Accepted Accounting Principles (GAAP)	Ensure that financial records meet industry standards and are auditable.	Accounting industry standards.
Federal Financial Accounting Standards	Ensure that financial records meet federal standards and are auditable.	Financial standards issued by the Federal Accounting Standards Advisory Board.
Federal Manager's Financial Integrity Act 1982 (FMFIA)	Ensure compliance with the requirements of internal accounting and administrative controls.	Federal financial standards.
DOI Accounting Handbook	Ensure standard department accounting practices.	Detailed desk procedures that include identified service standards and management overview to ensure service standards are met.
Interagency Handbook	Ensure that the distinctions between the BIA and OST responsibilities are defined, understood and followed.	Define roles and responsibilities of OST and BIA.



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Control	Reason	Description
An internal audit control function is in place following OCC requirements to monitor processes	DOI consults with OCC to develop trust standards and regulations to ensure compliance with stated objectives.	Office of Controller of the Currency (OCC) - Regulation 9. Government financial standards.
Peer review, sampling, management control review and quality assurance	Ensure consistent adherence to financial procedures and accuracy of accounting entries.	Internal audits and checks.
Reconciliation	Ensure that accounts are in balance.	Reconcile disbursement balance to subsidiary accounts.
Audits	Ensure adherence to policies and procedures and that an audit trail is intact.	Analysis, adjustment of accounts. May include a certification of accuracy from a non-prejudiced accounting professional.
Service levels	Performance management.	Agreed upon allowable time limits for performing tasks, such as funds deposit and posting.
Risk assessment	Ensure that risks are understood and mitigated as much as possible.	Measurement of quality assurance.
Segregation of duties	Ensure dual control such as ensuring that the disbursement request is processed and verified to match the original request.	Functions of submitting and approving disbursements, creating the system request, approving the disbursement and printing and mailing the disbursement check.
Pre-determined approval and submission amount thresholds	Ensure approval amounts are not exceeded.	Internal control procedures.



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- 8. Mechanisms (Systems of Record)** *Identify the mechanisms, or systems, that are needed to support the process (ex: Ownership, Leasing, Workflow Management, Office Filing System, etc.). Indicate the information and activities, relevant to this process, that each system supports.*

System Name	Support
Funds payable system	Technology system that records scheduled and actual disbursements from trust and trust-related accounts to beneficiaries or third parties. A cash management module that allocates projected and actual disbursements to and from beneficiary accounts is also included.
Trust Financial Accounting System (TFAS)	Technology that applies receipts, distributions and disbursements to the appropriate beneficiary and escrow accounts. An escrow tracking module is also included.
Title system	Technology, such as TAAMS Title, that maintains ownership information including those with an ownership interest in trust assets and those with a financial interest in trust receipts and disbursements.

- 9. Inter-Process Relationships** *Identify other trust processes that are related to this process (either predecessors or successors). If applicable, indicate the condition under which the processes are related.*

9.1 Predecessors. *Predecessors are processes that either produce information required by this process or that result in the need to execute this process.*

Process No.	Name	Condition of Relationship
B.6.3.1	Beneficiary Account Administration	Maintain beneficiary account information. Indicate if the beneficiary has selected automatic disbursement from his/her/their account whenever the balance meets the specified threshold.
B.6.3.3	Payable Administration	Request a disbursement, such as a judgment, 3 rd party assignment (e.g. mortgage, child support). Request an account transfer.
O.3.1	Prepare Probate Case	Probate staff may release emergency funds against an in-process probate.
O.3.2	Adjudicate	A judge may release emergency funds against an in-process probate.
O.3.3	Close Probate Case	A probate is settled and monies will be disbursed.
O.1.5	Close Transaction	A conveyance contract is completed and monies will be disbursed.



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Process No.	Name	Condition of Relationship
UM.2.1.2	Process Pre-Contract Receipt Encoding	Monies will be disbursed against contract prepayments.
UM.2.6	Approve Land Use Contract	A land use contract is perfected and monies will be disbursed.
UM.2.7	Administer Land Use Contract	A contract is modified and monies will be disbursed.
UM.3.2	Contract for Support Activity	A contract for land use management support is signed.
FO.1.2a	Receive and Post Trust Funds	Receipts that are available to cover requested disbursements.
FO.1.2b	Receive and Post Non-Trust Funds	Receipts that are available to cover requested disbursements.

9.2 Successors. *Successors are processes that either use information produced by this process or that must be executed as a result of performing this process.*

Process No.	Name	Condition of Relationship
FO.2.1	Review Accounts and Investment Options	Projected disbursements are available for cash management review.
FO.3.2	Create Pre-Disbursement File	5 days before a disbursement schedule will run.
FO.5	Reporting and Statements	Funds payable information is available for inclusion in the beneficiary account statements.

10. Comments *Summarize any discussion, problems, issues or recommendations that should be considered when reviewing process performance. Category Values (Note, Best Practice, Decision, Problem, Issue, Recommendation)*

Category	Comment
Issue	What is the document retention policy for paper and electronic records?
Recommendation	Beneficiary payments should be by electronic transfer whenever possible.



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Category	Comment
Issue	How do we ensure the performance bonds are valid bonds? In the past, some bonds were invalid when a performance default occurred.
Issue	Is it necessary that automatic beneficiary payouts ("auto pay") flow through the payables system?